

Opportunity: Manufacturer of technically precise constituent metal and plastic component parts for the precision mechanical, electrotechnical and electronic industry.

Organisation: Joint stock company

Investment: 28.1% of the company is for sale and represented by The Renaissance Consulting Group, Inc. (RCG). Owner represented by RCG is willing to gather further shares on behalf of an buyer.

Product Range:

- Injection moulding of thermoplastic – 35% of 2000 sales - and thermosets – 8% of 2000 sales - component parts
- Die casting of component parts from aluminum alloys – 29% of 2000 sales
- Component parts from steel, brass, and aluminum made on automatic lathes from 1-50 mm in diameter and from 50-235 mm in length – 16% of 2000 sales
- Electroplating of metal component parts with copper, nickel, zinc and chemicals for brass – 12% of 2000 sales
- Re-crystallisation annealing of soft-magnetic material

Sales and Markets: Sales were roughly 2.5 billion Slovenia Tolars (12 million Euro) in 2000. Sales grew 20% in 2000 (11.1% adjusted for inflation), mainly due to lowering prices to take market share away from competition. Management expects similar growth in 2001. Over 99% of sales are in Slovenia, 50% to five companies.

Opportunities: The company is in the process of cutting costs, and through this can lower prices which management believes will further increase sales. Management would also like to enter the Western European markets by 2005. Further automation of the production process and replacement of equipment could decrease costs and time for the company.

Industry: There are several companies in Slovenia that compete in this industry. Management states that this company has higher quality and can make more complex parts than its competition, and has therefore charged higher prices. However, buyers are putting considerable demand on companies to lower prices, while the cost of aluminum, oil based plastic, and other materials has increased.

Buyer Strategies: There are several ways a buyer could take advantage of this investment opportunity. This company provides access to the Slovenian market in which Western European companies such as Seimans and Philips are already active. The company could benefit from a partner who can improve their exposure to the Western European markets. The company could benefit from updating their equipment, although management believes this is not immediately necessary. Furthermore, the company has very little financial debt on its balance sheet, which could be used in the financing of the transaction.



Personnel: The company has employed roughly 320 people at a constant level over the last three years and operates 2-3 shifts. The company plans to hold the number of employees constant while increasing sales and profits.

Financial Data:	1996	1997	1998	1999	2000
Sales	11,868	10,562	10,725	10,686	12,032
EBITDA	1,339	1,338	1,255	1,095	1,422
Depreciation	1,845	1,169	1,313	1,332	1,146
Net Income	581	89	85	108	49
Fixed Assets	4,015	4,149	3,990	3,283	4,132
Total Long Term Assets	4,354	4,583	4,446	4,093	6,949
Inventories	658	791	903	889	1,062
Accounts Receivable	1,475	2,051	2,669	3,446	3,456
Cash and Equivalents	1,628	985	420	808	465
Total Short Term Assets	3,761	3,827	3,993	5,143	4,984
Total Assets	8,115	8,410	8,438	9,236	11,933
Equity	5,706	5,820	6,236	6,437	8,059
Long Term Debt	305	285	198	115	39
Short Term Operating Debt	854	1,017	1,118	1,877	2,981
Short Term Financial Debt	35	158	57	143	392
Total Liabilities	8,115	8,410	8,438	9,236	11,933

**financial information is presented in Slovenian Accounting Standards*

**data is in Euro thousands, but is not fully representative of the company's activity based on the declining SIT/Euro exchange rate*

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